

Christine Joyce

From: Nancy Tavernier
Sent: Friday, August 31, 2007 7:03 AM
To: Manager Department; Dore' Hunter
Subject: Condo buydown P&S permission BOS.doc

19 BOS
Agenda
9/10/07
Consent



Condo buydown
P&S permission B...

Please place the attached on the Sept. 10 agenda. Thanks.

Nancy

Acton Community Housing Corporation

Nancy Tavernier, Chairman

TOWN OF ACTON

Acton Town Hall

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TO: Board of Selectmen
FROM: Nancy Tavernier, Chair
SUBJECT: Condo buydown units permission
DATE: August 31, 2007

At your June 4, 2007 meeting you approved in advance ACHC's anticipated expenses for the acquisition of condo units for the Condo Buydown Program. This is an excerpt from the memo ACHC sent for that meeting requesting expenditure approval for several items.

*1. **Condo Buydown Program** – We have already received permission from the Board (January 2007) to proceed with the spending on this program that leads up to the unit purchase. We are currently in the process of doing marketing and outreach for the lottery to create a Ready Buyer List. The lottery will be held on July 31 and we hope to have a condo unit available immediately thereafter. ACHC has been viewing potential units to be made available to eligible buyers at a reduced price, subsidized by ACHC. We have promised to return to the Board prior to negotiating a purchase and sale agreement. ACHC does not intend to own the unit but rather be the conduit from the seller to the buyer. We are receiving legal advice from a local attorney for the P&S process and he will help us prepare an offer when we find an appropriate unit. We anticipate having to make a deposit for the unit quickly if an offer is made. **We seek Board approval for this anticipated deposit expenditure and related expenses such as inspections.** As promised, we will return to the Board for the specific unit purchase once it has been approved by DHCD. Just a reminder, the ACHC has a Community Housing Program Fund, with CPA funds totally approximately \$300,000, to use for affordable housing initiatives such as this one.*

To update the Board, we held the lottery on July 31 and have a list of 11 eligible households on the Ready Buyer List. Six of these are one person households, an unmet need in the world of affordable housing. In view of the identified housing need for small households, we sought permission from DHCD to place one person households in the more desirable 2BR units. We had not found any 1BR units that met the program standards of either ACHC or DHCD. Permission was granted for placing the small households in 2BR units. This is a real breakthrough for DHCD and we were very pleased.

We moved immediately to line up two 2BR units. On August 27, we made offers on a unit at 5 Drummer Rd. and 15 Davis Rd. Both offers were accepted, we have made a deposit on each, home and lead paint inspections are scheduled for Sept. 5, and a DHCD inspection is in the process of scheduling. We will be prepared to sign a purchase and sale agreement on Sept. 14. The accepted price for the Drummer Rd. unit is \$156,000 and for Davis Rd., \$160,000. Each will be sold to eligible first time homebuyers for \$110,000. The difference will be the

subsidy to the seller provided through the Community Housing Program Fund held by the ACHC. The Closing is expected to take place on October 30.

As promised, we are returning to the Board for its approval of the subsidy and related expenditures prior to the signing of the P & S.

We are in the process of contacting the households on the Ready Buyer List and should have their acceptance of the units by September 10. We are optimistic that everything will go smoothly. We will evaluate the program after the completion of these first two units to decide whether or not to proceed with more. DHCD will also be looking for reports on our experience since (once again) we appear to be the first town doing such a program, at least the first town that has actually carried it out.

We ask for your approval of these final expenditures.